GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3630
ANSWERED ON:16.12.2005
SPECIAL BONUS
Madhwaraj Smt. Manorama;Vallabbhaneni Shri Balashowry

Will the Minister of FINANCE be pleased to state:

(a) whether Life Insurance Coiporation (LIC) has announced special bonus to some policies ;

(b) if so, the details thereof ;

(c) whether LIC has also reduced its bonus on endowment policies by more than 20% for the year 2005 ;

(d) if so, the reasons therefore; and

(e) the steps being taken by LIC to widen the LIC network to compete in the market ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANEV1ANICKAM)

(a) & (b): Yes, Sir. As informed by LIC, a ons-time Special. Bonus ranging from Rs.5/- per thousand Sum Assured to Rs.50/- per thousand Sum Assured depending upon the date of commencemsnt of the policy fcias been announced.

(c)&(d) : LIC has reported that in view of the continuous fall in the interest rates on its investments there has been a reduction in the bonus rate by around 10% during `he year 2004-05.

(e) : LIC has reported that it has 2048 branches spread throughout the country. In order to widen its network, LIC has planned to open 30 Satellite S-ampark Offices in the current financial year of which 20 offices have already started functioning and 100 more such offices are going to be opened in the next financial year.These offices would further facilitate its customers to contact the offices and deposit premia more easily.

LIC has also further informed that it has 10.32 lakh agents on its rolls as on 30.11.2005 of which 88,382 have been recruited since April this year.